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FEDERAL COMMUNICATIONS COMMISSION
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DAVID B. GLUCK
General Counsel and
V.P. Business Affairs/Programming

March 13, 1996

Mr. William F. Caton, Secretary
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

DOCKET FILE COPY ORIGINAL

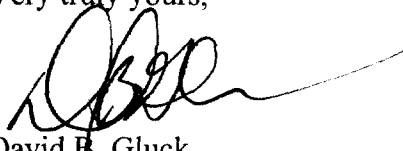
Re: MM Docket No. 92-266--Ex Parte Presentation

Dear Mr. Caton:

This is to provide notice, pursuant to Section 1.1206(a)(1) of the Commission's Rules that copies of the enclosed letter were forwarded today to Chairman Reed Hundt and to each of the other individuals identified as receiving copies. Each of the foregoing also received a copy of this letter. Two copies of this letter are enclosed for inclusion in the above referenced Docket.

If you have any questions regarding this matter, please feel free to contact me.

Very truly yours,



David B. Gluck

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EX PARTE PRESENTATION

Chairman Reed E. Hundt
Federal Communications Commission
1919 M Street, N.W.
Room 814
Washington, D.C. 20554

DOCKET FILE COPY ORIGINAL

Re: Leased Access Rules/Petition for Reconsideration in MM Docket No. 92-266

Dear Chairman Hundt:

Liberty Sports, Inc. owns and/or operates a number of regional sports networks which provide local, regional and national sports television programming to cable operators and other multi-channel video programming distributors. Liberty Sports also recently has launched Prime Sports Showcase, a 24-hour sports programming service featuring women's sports, nostalgic sports and sports news programming and Prime Deportiva, a 24-hour Spanish language sports television service. Liberty Sports is attempting to obtain national distribution of the Showcase and Prime Deportiva programming services.

We have been informed that the Commission is considering significant changes in the leased access rules, particularly the mechanism for determining the maximum allowable price. Based on our understanding, we believe that the proposed changes may adversely affect distribution and, hence, the availability of our programming services to cable system viewers. In fact, growth in subscribership for these national services has been slowed by the problems outlined below. We understand that the proposal would, if adopted, reimburse cable operators only for lost advertising and commission revenues associated with networks or channels replaced by leased access channels. Only certain kinds of additional administrative or technical costs associated with leased access channels may also be recouped by the operators. If this is the case, the cost for leased access would appear to be negligible in the instance of deleted channels that do not include advertising or home shopping programming.

Chairman Reed E. Hundt

March 13, 1996

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In that instance, it appears that cable operators, subscribers and other programmers would end up subsidizing leased access costs for other programmers. Programming services, which depend on both subscriber and advertising revenue, would appear to be at a substantial competitive disadvantage if this proposed pricing mechanism is adopted by the Commission.

Bearing in mind that the Communications Act does require cable operators to make a percentage of their channel capacity available for commercial leased access, the existing pricing mechanism moderates the use of those channels through competitive forces and was established on the basis of a full record for the Commission. Increasing the number of channels that operators must devote to subsidized leased access will do nothing to relieve the channel capacity problem (which the Commission has acknowledged) and would require cable operators to drop programming services currently available. The services to be dropped may be the more recently launched services, notwithstanding that they may be just as desired by viewers as older, more widely distributed services. Those services would be replaced with subsidized leased access services, including infomercial services and low-power television stations that would not otherwise qualify for must-carry, if this new pricing mechanism is based upon only the lost revenues from dropped services as outlined above.

In addition, cable programming services have experienced problems getting launched on cable systems because of rate regulation. If not for the advent of the "going forward rules," new programming services probably would not be added by cable operators to regulated tiers. Technological problems have also hindered channel expansion, thus making it difficult for cable programmers to project and predict launches. Unfortunately, when it appeared that the playing field has somewhat leveled, the Commission is considering a change that would, in fact, reintroduce uncertainty in the marketplace. Such uncertainty could cause a stifling effect upon future programming investment decisions. We cannot easily recoup or rebuild the goodwill and "brand" identity that we have developed with our viewers through carriage of a service in the event that a system elects, because of the Leased Access Rules, to drop the service.

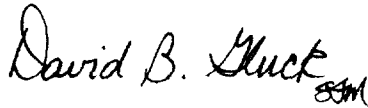
We respectfully submit that on the current record, if the Commission must decide the above-referenced petition for reconsideration and this issue now, it should deny that petition. We believe that adoption of the current proposal would result in the antithesis of the result intended by Congress and the Commission: It will cause a significant decrease in programming diversity. If the Commission considers the proposal further, it should publish a specific proposal upon which programmers, cable operators and viewers may comment. Without such proposal, we are not in a

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position to provide more detailed information necessary for the Commission to make the kind of informed judgment required to address this issue, which could have serious adverse effects on existing programmers.

Thank you for considering our concerns on these important issues.

Sincerely,

A handwritten signature in cursive script that reads "David B. Gluck". There is a small, illegible mark or initials at the end of the signature.

David B. Gluck

cc: Commissioner James H. Quello
Commissioner Andrew C. Barrett
Commissioner Rachelle B. Chong
Commissioner Susan Ness
Jackie Chorney, Legal Assistant to Chairman Hundt
Maureen O'Connell, Legal Advisor to Commissioner Quello
Lisa B. Smith, Legal Advisor to Commissioner Barrett
Suzanne K. Toller, Legal Advisor to Commissioner Chong
Mary P. McManus, Legal Advisor to Commissioner Ness
William F. Caton, Secretary (2 copies)